

DOWNTOWN INDUSTRIAL DISTRICT
BUSINESS IMPROVEMENT DISTRICT
FINANCE COMMITTEE MEETING
MAY 22, 2015
MINUTES

BOARD MEMBERS

Present: Dilip Bhavnani, Matt Klein, Larry Rauch, Mark Shinbane.

STAFF: Raquel K. Beard

Consultant: Ken Coelho, RBZ

I. CALL TO ORDER

Bhavnani called the meeting to order at 9:37am.

II. PUBLIC COMMENT PERIOD ON NON-AGENDA ITEMS

No public comment.

III. 2016 ASSESSMENT

Beard reminded the committee that the following motion was unanimously approved by the Board of Directors at the April 7, 2015 Board meeting.

2016 Assessment Determination:

Motion to refer to Finance Committee and give Committee the authority to act on behalf of the membership without further membership approval.

Beard stated that most of the budget is stable except for significant unanticipated expenses such as State and City minimum wage increases, and legal fees.

Coelho provided the following financial report:

- \$38k y-t-d in legal fees (month ending April 2015), budgeted \$40k
- Collections are coming in. Projecting a cash break even at year's end
- Prior BID Funds
 - a. DID 2- \$172k
 - b. DID 3- \$50k (will collect approx. \$30k more from delinquent receivables)
 - c. Reserve total- \$220k (could use a portion of reserve for legal fees, but do not want to deplete the reserve completely)
- Legal fees since 2013 equal approx. \$260k

Coelho and Beard recommended a 3% increase for the 2016 assessment based on the following factors for 2016:

- City of LA Minimum wage increase July 2016 (maintenance personnel).
- Affordable Care Act (security and maintenance personnel)
- Legal fees
- Equipment replacement

Rauch made a motion to approve the 3% assessment increase for 2016, and Shinbane seconded. The committee unanimously approved.

In closing, Bhavnani suggested hiring an in-house attorney for two years to cut cost of legal fees, and Rauch asked Beard to inquire about special assessments.

IV. NEXT MEETING TBD

V. ADJOURNMENT-10:15am